GREAT PLAINS DEVELOPMENT COMPANY OF CANADA, LTD.

Annual Report 1973

GREAT PLAINS DEVELOPMENT COMPANY OF CANADA, LTD.

CONTENTS

The Annual Meeting of Shareholders will be held at 10:00 a.m., Thursday, March 14, 1974, at the Head Office of the Company, 6th Floor, 736 - 8th Avenue S.W., Calgary, Alberta.

COVER

Majestic Mount Pavlof on the Alaskan Peninsula, provides the background for seismic drilling. This operation was part of a geophysical helicopter program carried out by the Company in late 1973.

THE YEAR IN BRIEF

Financial	1973	1972
Revenue	$18,735,000	$12,462,000
Cash generated from operations	$11,656,000	$ 8,022,000*
Per share	$ 3.59	$ 2.47
Net earnings	$ 6,465,000	$ 4,027,000*
Per share	$ 1.99	$ 1.24
Dividend	$ 1,622,000	$ 1,297,000
Per share	$ .50	$ .40
Working capital	$28,002,000	$ 1,677,000
Shares outstanding	3,244,864	3,241,864

Operating	1973	1972
Oil and gas liquids production, net barrels	3,548,000	3,481,000
Daily average	9,721	9,511
Gas sales, net millions of cubic feet	15,907	12,193
Daily average	43.6	33.3
Sulphur sales, net long tons	11,500	9,900
Oil and gas liquids reserves, net barrels	55,528,000	55,004,000
Gas reserves, net millions of cubic feet	438,000	416,000
Sulphur reserves, net long tons	307,000	278,000
Oil and gas land holdings, net acres	7,483,000	7,773,000

Other Highlights

- Foreign oil and gas exploration was expanded in the United States and commenced in Panama, Nicaragua, Honduras, Puerto Rico and Fiji.
- Foreign exploration drilling started in Panama, and in the states of Alaska and Wyoming.
- Exploration rights applied for in the Norwegian sector of the North Sea and Guatemala.
- Thirty-five exploration wells drilled in Canada. Seven found oil or gas.
- New oil and gas reserves acquired in Alberta.
- Northern Oil Explorers' joint venture terminated.
- Major mining companies participating with Great Plains in mineral exploration programs in four areas.
- $30 million financing completed.
- By July 1, 1974, prices will double on 75 percent of the Company's gas sales.
- On January 31, 1974, the Alberta Government announced substantially higher gas royalties. Initial review of this change indicates that average royalty on the Company's gas production will approximately double from the present 16⅔ percent when higher gas prices become effective.

* Restated — accounting policy change results in minor amendment.

PRESIDENT'S REPORT

For Great Plains, 1973 was a year of strong financial gains. Petroleum exploration continued at a good level in Canada, was expanded in the United States and commenced in Central America. Sales of oil and natural gas were at new highs. For the petroleum industry, the year was marked by government intervention and uncertainties.

Foreign Oil And Gas Exploration Gaining Momentum

Petroleum exploration expenditures totalled $5,801,000, an increase of $1,719,000 from 1972. The increase was primarily due to activities in new areas outside of Canada, which included:

- Drilling in Alaska and Wyoming; seismic surveys in Alaska, Wyoming, Colorado and Montana.
- Seismic programs on acreage acquired in the Gulf of Panama. The first well of a two-well program is now being drilled.
- Seismic programs offshore Nicaragua, Honduras and Puerto Rico, with acreage options in all areas.
- Seismic work and an acreage acquisition in the Fiji Islands.
- Application for a production sharing contract on acreage in Guatemala.
- Application for exploration rights in the Norwegian sector of the North Sea.
- Preliminary assessment of exploration investment in the Gulf of Mexico.

Activity In Canada

Great Plains participated in 35 exploratory wells in Canada in 1973, 7 of which discovered oil or gas.

In the Arctic Islands, two additional wells were drilled by Panarctic Oils on Company acreage. Industry activity in the Arctic is very high and at year-end, 11 wells had been announced or were being drilled including three on Ellesmere Island where Great Plains holds interests in 3.9 million acres. Great Plains will be participating in one of the wells on Ellesmere Island, an 8,000 foot test operated by a major oil company.

On December 31, 1973 the Northern Oil Explorers' program was concluded. The joint venture, to explore for oil and gas in Canada and part of the United States, which included Barber Oil Corporation, Noranda Mines Limited and Great Plains, began in 1966. The program provided good exposure in Canada but was less suitable for the Company's present program of domestic and international exploration.

Major Companies As Mining Exploration Partners

Great Plains expended $564,000 in mining exploration centered in British Columbia, Ontario, Quebec, and the Northwest Territories. Major mining companies are partners in four of the exploration programs, including three that are operated by Great Plains.

Oil and Gas Prices, and Royalties

During the year, the Company received an average of $3.33 per barrel for crude oil and gas liquids and 29 cents per thousand cubic feet for natural gas. The price of oil in Canada remains substantially lower than elsewhere in the world.

In January, 1974 new contracts were negotiated that will double the price being received by the Company for natural gas sold for export to the United States. Under the new contracts, Great Plains will receive 60 cents per thousand cubic feet, including quality adjustments, beginning not later than July 1, 1974. At the time of writing this report, the Alberta Government has announced a substantial increase in gas royalty rates. While full details of the new royalty scheme are unknown, it is estimated that Great Plains' average gas royalty will be about 33 percent when the higher gas prices become effective.


Exploratory blocks applied for
NORWAY
SCOTLAND
WALES
ENGLAND
NETHERLANDS
BELGIUM
FRANCE
MILES
NEIL PENINSULA
Company to participate in 8000' well
ARCTIC ISLANDS
Interests held in 7.9 million acres. Applications filed for an additional 19.4 million gross acres.
ALASKA
Seismic survey
LOUGHEED and NORTHWEST MELVILLE ISLANDS
Seismic planned in 1974
ALASKA
YUKON TERRITORY
NORTHWEST TERRITORIES
MINERALS
Exploration
BRITISH COLUMBIA
SHEKILIE
SOUTHERN ALBERTA FOOTHILLS
Drilling planned.
CANADA
Great Plains participated in 35 exploratory wells, 7 discovered oil or gas. Seismic conducted or data obtained in 15 areas.
NEWFOUNDLAND
ALBERTA
SASK.
MANITOBA
ENTRANCE
Deep test drilling
MINERALS
Exploration
ONTARIO
QUEBEC
P.E.I.
N.S.
MONTANA
Seismic survey
MONTANA
WYOMING
Seismic survey
deep test drilling
WYOMING
COLORADO
Seismic survey
COLORADO
Pacific Ocean
Atlantic Ocean
GULF OF MEXICO
Preliminary assessment of exploration investment
PUERTO RICO
PUERTO RICO
Seismic program with acreage option
HONDURAS
Seismic program with acreage option
NICARAGUA
Seismic program with acreage option
GUATEMALA
Acreage application
GUATEMALA
HONDURAS
NICARAGUA
PANAMA
PANAMA
First well of a 2 well drilling program
0 500 1000
MILES

Excellent Financial Results

Revenue totalled $18,735,000, an increase of $6,273,000 or 50 percent, derived chiefly from increased gas sales, higher investment income and newly acquired producing properties. Crude oil price increases in 1973 account for $1,700,000 or 27 percent of the revenue gain.

Net earnings were $6,465,000 or $1.99 per share, an increase of $2,438,000 or 61 percent from the prior year. Cash generated from operations amounted to $11,656,000 or $3.59 per share as compared to $8,022,000 or $2.47 a share in 1972. With the higher levels of earnings and cash generated, the annual dividend paid on January 7, 1974 was increased from 40 to 50 cents a share.

Working capital at year-end totalled $28,002,000, an increase of $26,325,000 from December 31, 1972. All of the improvement in working capital is attributable to the issuance of $30 million of 5% Convertible Subordinated Debentures in February, 1973. Several projects planned for the year that would have drawn on working capital were deferred as this appeared to be a time to monitor events before making substantial commitments.

Outlook for 1974

Many uncertainties face the Canadian oil industry, such as who will sell our oil; what sales price will be allowed; what share of the revenue governments will take as export taxes, royalties, or perhaps in the form of new special taxes now being considered; what land rules the industry will operate under in federally-regulated areas; whether the new government-sponsored company will really be a competitor rather than a specially-favoured government vehicle; whether royalty agreements can ever again be relied upon; and how much longer the jurisdictional battle will cause "fall-out". Hopefully, some of these matters will tend to be resolved as the year progresses.

These uncertainties will not cause the industry to abandon Canada, but they will tend to lessen exploration effort, or increase the return that will be required to balance the added risks. That such a conglomeration of confusion can occur, might give pause for thought to those in other industries where greater profits and shortages have occurred or may occur in the future.

Great Plains anticipates very favourable financial results in 1974, due to the gas price renegotiation reported above, an increase in gas sales volume, and some improvement in oil prices.

Corporate And Management

Great Plains' shares were listed on the Montreal Stock Exchange effective October 15, 1973.

During the year, Mr. Robert F. Buchanan, formerly Financial Vice-President, was appointed Senior Vice-President; Mr. Robert H. Erickson, formerly President of Northern Oil Explorers Ltd., and a Vice-President of Great Plains from 1958 to 1963, was reappointed a Vice-President; and Mr. Edward A. Earle, formerly Production Manager, was appointed Vice-President, Production.

Our employees are commended for their hard work and competence. Their efforts have been a material factor in the excellent results achieved by the Company. The activities of employees in community and industry projects, which are also noteworthy, are reported on Page 18.

DAVID E. MITCHELL,
President

Calgary, Alberta
February 1, 1974

EXPLORATION REVIEW

PETROLEUM EXPLORATION

In 1973, Great Plains expanded its sphere of exploration to areas outside Canada and the United States. Activities ranged from the Arctic Islands in Canada's northland, southwards to the Central Americas and as far east as the Norwegian sector of the North Sea.

Petroleum exploration expenditures totalled $5.8 million, up 42 percent from the prior year. Funds were expended as follows: 19 percent for exploratory drilling; 21 percent for exploration property acquisition; 36 percent for preliminary exploration; 8 percent for renewal fees and rentals and 16 percent for other expenses.

Canada

In Canada, $3,725,000 or 64 percent of the Company's 1973 petroleum exploration expenditures were incurred.

During the year Great Plains participated in 35 exploratory wells of which 5 discovered gas and 2 discovered oil. All of the discoveries appear to be small. Twenty-nine of these wells were drilled at no cost to the Company on acreage farmed out to others.

The Company is currently drilling an 11,500 foot test located on a wholly-owned 10,900 acre drilling reservation at Entrance in the Alberta Foothills. Seismic conducted on this prospect delineated a structure at Mississippian depth. In northern Alberta, a well will be drilled in the Shekilie area where Great Plains holds varying interests in 32,800 acres. The Company also plans to participate in the drilling of two tests in the southwestern Alberta foothills. Farmouts have been made to other companies for the drilling of wells this winter in the Reno, Panny and Gulf Lake areas of Alberta.

The joint exploration venture involving Great Plains, Barber Oil Corporation and Noranda Mines Limited, which began in 1966, was concluded on December 31, 1973. The properties in the joint venture, formerly managed by Northern Oil Explorers Ltd., were offered to the industry in a private lease sale and those sold, brought $11.3 million. Of this sum, Great Plains itself put up $4.1 million for interests in several of the producing and exploratory properties and will be receiving $1.7 million in 1974 as its share of proceeds from the sale of other Northern Oil properties.

Yukon and Northwest Territories

In the past year, a total of 102 miles of seismic was conducted at Kelly Lake near Norman Wells, and at Horton River, east of the Mackenzie Delta. The Company has options to earn interests in large acreage blocks by drilling in these areas.

On the Company's Old Crow acreage, located on the Alaska-Yukon border, a major oil company has committed to expend $1.3 million on seismic and preliminary exploration and has options to spend similar amounts in each of the following four years. The work has been temporarily halted due to environmental and native rights issues.

Arctic Islands

Great Plains' participation in Arctic drilling activity has been largely through acreage farmed-out or optioned to Panarctic Oils Ltd. Under the Panarctic agreement, a total of six wells have been drilled, representing approximately $18 million of exploration exposure. Two wells were drilled and abandoned on Company acreage in 1973, one on Axel Heiberg Island and the other on Melville Island. In total, Panarctic has earned interests in 3.1 million acres of Company lands. Great Plains has the right to participate with Panarctic in further evaluation of this acreage. Seismic programs are planned on Lougheed and Northwest Melville Islands in the spring of 1974.

On December 31, 1973 Panarctic's options to earn interests in 762,000 acres on Ellesmere and Bathurst Islands expired. Great Plains now becomes operator of these lands and is formulating exploration plans for these areas.

The Company will participate in an 8,000 foot test to be drilled on Neil Peninsula by a major oil company. Drilling is expected to begin in late February, 1974, at this location which is approximately 50 miles northeast of Great Plains' Eureka North Block.

A 12,000 foot well is being drilled approximately 16 miles northeast of Great Plains' Eureka Central Block. This well will add further exploration information about the Eureka Sound area where some oil has been discovered and where Great Plains holds working interests in 554,000 acres.

On the Bjorne Peninsula on southern Ellesmere Island, an 11,000 foot test is to be drilled by others within 35 miles of Great Plains' acreage blocks.

On northeast Ellesmere Island in the Kane Basin, the Company conducted surface geological evaluation work. A marine seismic program planned for the Kane Basin was postponed because of severe ice conditions.

Offshore in the Gulf of Boothia and in the Kane and Canada Basins, the Company has filed applications with the Canadian Government for exploratory permits covering 19.4 million gross acres. The issuance of these permits is being withheld by the government pending finalization of the Canada Oil and Gas Regulations. The applications will have first priority when the revised regulations eventually take effect.

Summer drilling on Melville Island in the high Arctic.

Oil & Gas Land Holdings — December 31

	1973 Gross Acres	1973 Net Acres	1972 Gross Acres	1972 Net Acres
Petroleum & Natural Gas Leases				
Alberta	**1,628,000**	**593,000**	1,593,000	542,000
British Columbia	**43,000**	**21,000**	45,000	17,000
Saskatchewan	**142,000**	**46,000**	133,000	43,000
Manitoba	**1,000**	**1,000**	1,000	1,000
Quebec	**3,000**	**1,000**	—	—
Yukon & Northwest Territories	**123,000**	**46,000**	92,000	43,000
U.S.A. - Montana	**114,000**	**29,000**	91,000	20,000
- Wyoming	**66,000**	**8,000**	—	—
- Alaska	**6,000**	**2,000**	—	—
Reservations, Permits & Licenses (1)				
Alberta	**324,000**	**128,000**	572,000	184,000
British Columbia	**480,000**	**119,000**	484,000	110,000
Saskatchewan	**241,000**	**67,000**	325,000	83,000
Quebec	**575,000**	**98,000**	3,933,000	758,000
Yukon & Northwest Territories	**2,158,000**	**1,022,000**	2,400,000	1,091,000
Arctic Islands	**7,695,000**	**4,708,000**	7,695,000	4,881,000
Option Rights				
Northwest Territories	**2,132,000**	—	2,132,000	—
British Columbia	**16,000**	—	16,000	—
U.S.A. - Alaska	**75,000**	—	78,000	—
- Wyoming	**50,000**	—	31,000	—
Foreign - Honduras	**1,351,000**	—	—	—
- Nicaragua	**447,000**	—	—	—
- Puerto Rico	**1,559,000**	—	—	—
Royalty Interests				
Arctic Islands	**211,000**	—	211,000	—
Other Areas	**403,000**	—	403,000	—
Foreign Interests				
Fiji	**1,920,000**	**480,000**	—	—
Panama	**1,829,000**	**114,000**	—	—
TOTAL	**23,592,000**	**7,483,000**	20,235,000	7,773,000

(1) Leases may be selected on approximately 50 percent of this acreage.

Excluded from the above figures are 19,400,000 acres of offshore lands in the Canada Basin, Kane Basin and Gulf of Boothia for which Great Plains has filed applications with the Government of Canada. In addition the Company has also filed applications on 670,000 acres of production licences in the Norwegian Continental Shelf and 1,008,000 concession acres in Guatemala.

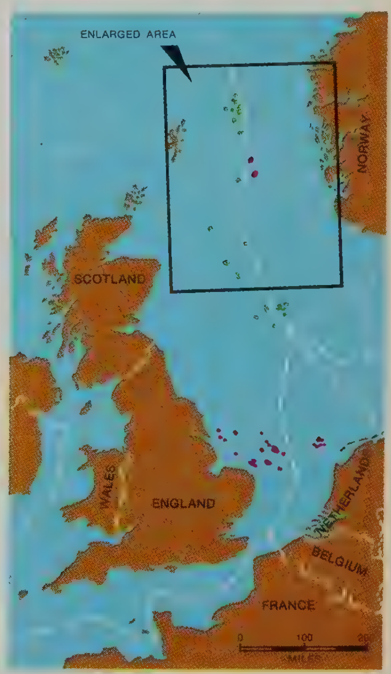
United States

The Company expended $1,403,000 or 24 percent of 1973 petroleum exploratory funds in the United States.

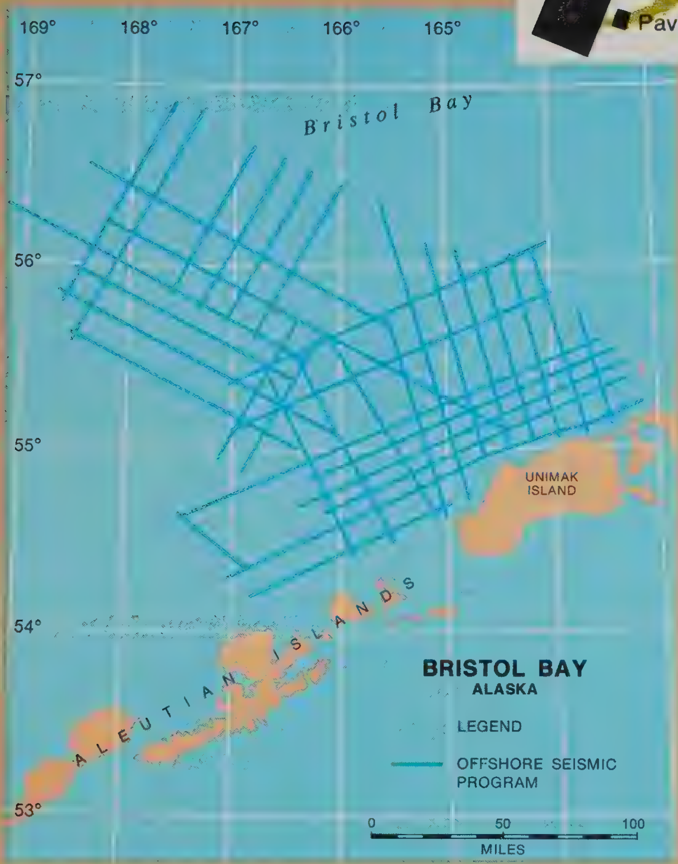
Great Plains' first well in the lower 48 states is presently being drilled to a depth of 15,500 feet in the Jurassic Nugget formation near the La Barge field in the Green River Basin of Wyoming. The Company's interest in the well is 12½ percent. Seismic surveys evaluating other prospects in Wyoming, Colorado and Montana, are being conducted and appraised.

On the Alaska Peninsula near Pavlof Bay, Great Plains has completed a 60-mile helicopter-assisted seismic survey. Nearby at Cathedral River, a deep test is being drilled within 15 miles of Company acreage. In the Bristol Bay portion of the Bering Sea north of the Alaska Peninsula, Great Plains has purchased 3,300 miles of marine seismic data. A well was drilled and abandoned on Company acreage north of Anchorage in the Cook Inlet area of Alaska.

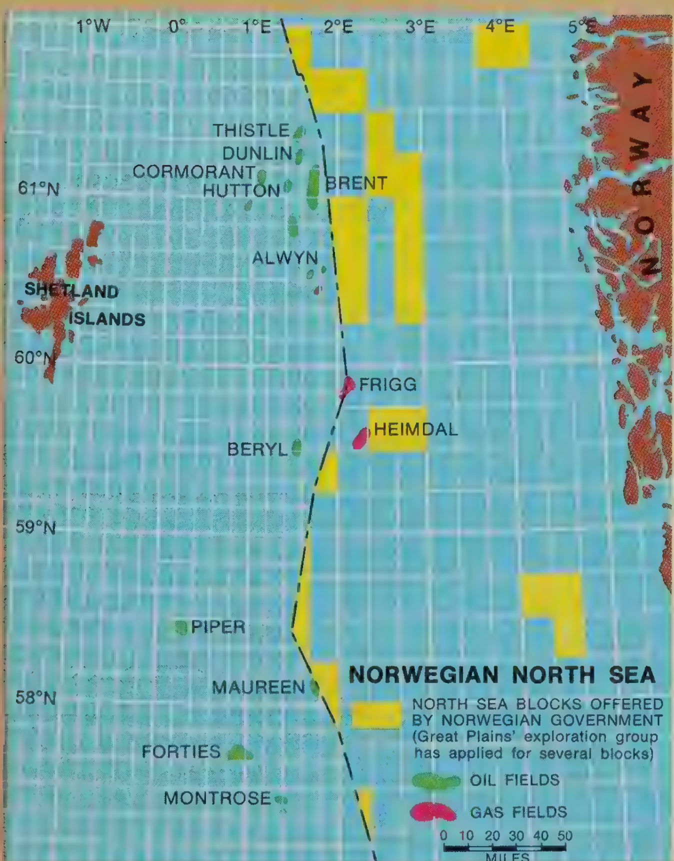
INDEX MAP

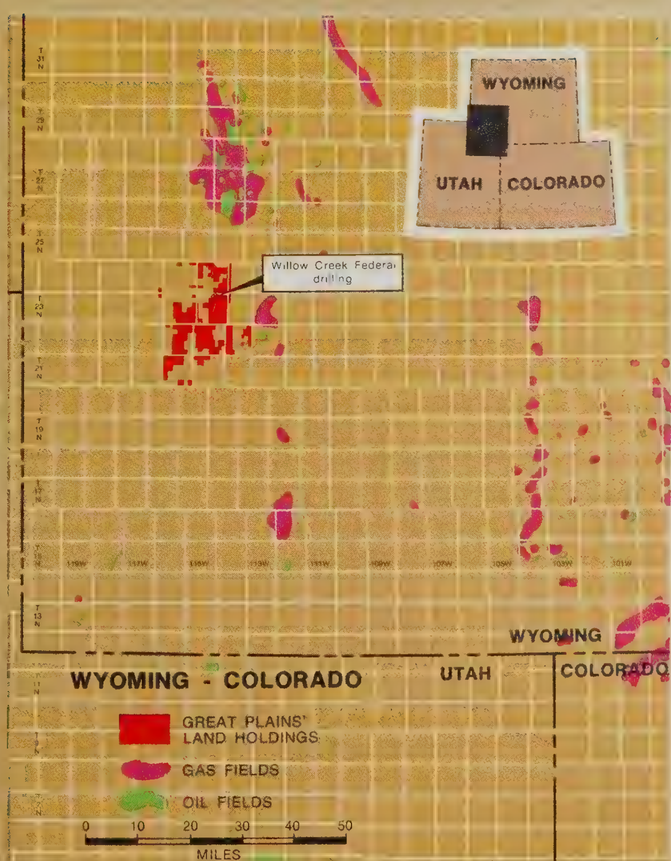



ALASKA
Bristol Bay
Pavlof Bay


169°
168°
167°
166°
165°
57°
56°
55°
54°
53°
Bristol Bay
UNIMAK ISLAND
ALEUTIAN ISLANDS
BRISTOL BAY
ALASKA
LEGEND
OFFSHORE SEISMIC PROGRAM
0
50
100
MILES


Bristol Bay
Cathedral River drilling
T 49 S
T 50 S
T 51 S
T 52 S
T 53 S
T 54 S
T 55 S
T 56 S
T 57 S
T 58 S
R83W
R82W
R80W
R79W
R78W
R77W
R76W
Pavlof Bay
PAVLOF BAY
ALASKA
GREAT PLAINS' OPTIONS
SEISMIC PROGRAM
WELL LEGEND
LOCATION OR DRILLING
ABANDONED
0
5
10
15
20
MILES


1°W
0°
1°E
2°E
3°E
4°E
5°E
NORWAY
THISTLE
DUNLIN
CORMORANT
HUTTON
BRENT
61°N
ALWYN
SHETLAND ISLANDS
60°N
FRIGG
HEIMDAL
BERYL
59°N
PIPER
MAUREEN
58°N
FORTIES
MONTROSE
NORWEGIAN NORTH SEA
NORTH SEA BLOCKS OFFERED BY NORWEGIAN GOVERNMENT (Great Plains' exploration group has applied for several blocks)
OIL FIELDS
GAS FIELDS
0 10 20 30 40 50
MILES


WYOMING
UTAH
COLORADO
Willow Creek Federa drilling
WYOMING
UTAH
COLORADO
WYOMING - COLORADO
GREAT PLAINS' LAND HOLDINGS
GAS FIELDS
OIL FIELDS
0
10
20
30
40
50
MILES

Current test in the Alberta Foothills near Entrance.

Wells Drilled

	1973		1972	
	Gross	Net	Gross	Net
Exploratory				
Oil	2	.4	5	1.6
Gas	5	.3	10	1.6
Dry	29	4.8	44	9.0
Total	36	5.5	59	12.2
Average Depth	5,500 feet		5,500 feet	
Development				
Oil	48	3.8	12	1.2
Gas	5	1.5	4	1.2
Dry	9	2.5	15	3.1
Total	62	7.8	31	5.5
Average Depth	4,400 feet		4,300 feet	

Other Foreign Areas

Great Plains expended $673,000 or 12 percent of its 1973 petroleum exploratory funds in areas outside of North America.

Norwegian North Sea

Great Plains is a participant in an exploration group, operated by Burmah Oil Norge A/S, that has applied for some of the tracts being offered in the North Sea by the Norwegian Government. Results of the application should be known later in 1974.

Panama

Drilling recently began at the first well of a two-well program on Company acreage in the Gulf of Panama. The first well, Corvus No. 1, is located 41 miles offshore in a water depth of approximately 325 feet and the second well, to be known as Plaris No. 1, will be located about 12 miles offshore in a water depth of approximately 250 feet. To date, no other wells have been drilled offshore in the Gulf, but hydrocarbon shows have been reported in onshore tests. Two thousand miles of marine seismic conducted in the Gulf of Panama has delineated several structures on Company holdings. Upon completion of the drilling Great Plains will hold a 6¼ percent interest in 1,829,000 acres.

Nicaragua

The Company has completed 97 miles of seismic on a 447,000 acre permit offshore Nicaragua. Great Plains has an option to drill a 5,000 foot well to earn a 50 percent interest in the acreage.

Honduras

Great Plains is a participant in an exploration group evaluating a 1,351,000 acre permit offshore Honduras. A 12½ percent interest can be earned in the permit by joining in the drilling of an 8,500 foot well on the acreage.

Guatemala

An application has been made for a production sharing contract on 1,000,000 acres in Guatemala. The acreage is situated between recent oil discoveries to the west in Mexico and to the east in central Guatemala. A deep test was recently drilled by the Mexican national oil company some 25 miles west of lands covered by Great Plains' application.

Puerto Rico

Offshore western Puerto Rico, a 100 mile reconnaissance seismic program has been completed on a 1,559,000 acre permit. Great Plains may earn a 25 percent interest in these lands by completing further seismic and may increase its interest to 63.5 percent by drilling a well on the prospect.

Fiji

A 25 percent interest has been acquired in a 3,000 square mile offshore permit over the Lau Ridge in the Fiji Islands. The Company participated in three hundred miles of marine seismic conducted in this area.

Great Plains first offshore well in a two well program is being drilled in the Gulf of Panama. Operator on the project is El Paso Natural Gas Company.

MINERAL EXPLORATION

Mining expenditures during 1973 totalled $564,000. The Company participated in five joint venture exploration programs centered on the search for copper, lead, zinc, and silver, in the Northwest Territories, British Columbia, Ontario and Quebec. Major mining companies were partners in four of the joint ventures, three of which were operated by Great Plains.

Work was conducted on properties in the Princeton and Stikine areas of British Columbia. An exploratory diamond drill program to evaluate geochemical and geophysical anomalies in the Stikine area indicated interesting values which warrant further drilling in 1974. Geological mapping and geochemical surveys were also conducted on other properties in northern British Columbia.

In Quebec, where the Company holds or has options on over 54,000 acres, Great Plains is participating in two joint ventures. During the year detailed geophysics were conducted to delineate airborne electromagnetic anomalies on four claim groups. Ground geophysics and drilling of these and other anomalies are planned for 1974.

Field crews were active in the Northwest Territories on three projects. The Company's operations in the Northwest Territories will be expanded in 1974.

Geological prospecting and mapping is an integral part of exploration program.

Mineral Land Holdings

	December 31, 1973 Gross Acres	Net Acres
British Columbia	23,300	19,300
Ontario	7,400	7,400
Northwest Territories	13,300	9,900
Saskatchewan	9,200	8,800
Quebec	54,200	29,600
	107,400	75,000

Location of drilling program at Ball Creek in northern British Columbia.

Strain on driller's face reflects a critical period in diamond drilling operation.

PRODUCTION AND DEVELOPMENT REVIEW

PRODUCTION

Net production of crude oil and natural gas liquids increased for the sixth consecutive year, to 3,548,000 barrels or an average of 9,721 barrels per day. Net natural gas sales increased for the twelfth consecutive year to 15,907 millions of cubic feet or an average of 43.6 millions of cubic feet per day.

Crude Oil

Crude oil production of 2,885,000 barrels contributed $9,580,000 or 58 percent of total production revenue. This is an increase of $1,920,000 or 25 percent from 1972. Eighty-three percent of crude oil revenue was derived from sales in Alberta and 17 percent in Saskatchewan. Higher production from the Bigoray, Drumheller, Harmattan, Keystone, Reid Lake and Hamilton Lake areas, along with increased prices, were partially offset by increased government royalties and some production declines in the Pembina area. Programs to enhance recoveries and performance in the Bigoray, Keystone and Drumheller fields should add sufficient production to offset declines elsewhere in 1974. Because of high demands, production from most oilfields in Alberta is no longer restricted except by good engineering practices.

Increased royalty imposed by the Alberta and Saskatchewan Governments amounted to almost $400,000 for Great Plains in 1973. Further oil royalty increases are expected in 1974 but the amount has not yet been established.

Condensate and Other Gas Liquids

Condensate and other gas liquids production totalled 663,000 barrels, a small decrease during the year due to a fire at the Harmattan area plant. A total of $2,227,000 or 13 percent of production revenue was contributed by the sales of condensate and other gas liquids. This is an increase of $514,000 or 30 percent over last year.

Natural Gas

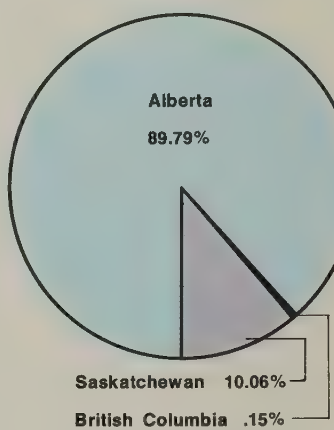
Natural gas production of 15,907 millions of cubic feet contributed $4,638,000 or 28 percent of total production revenue. This is a gain of $1,960,000 or 73 percent over the prior year. About one-half of the improvement is due to greater production from Harmattan and Minnehik-Buck Lake and the remainder from higher prices negotiated with gas purchasers.

New contracts, negotiated with an exporter of natural gas to the United States northwest and California regions, will net Great Plains a field price of 60 cents per thousand cubic feet, after quality adjustments, beginning no later than July 1, 1974. The new contracts cover approximately 75 percent of the Company's gas sales. Gas prices under most of these contracts may be renegotiated on July 1, 1975 and every second year thereafter.

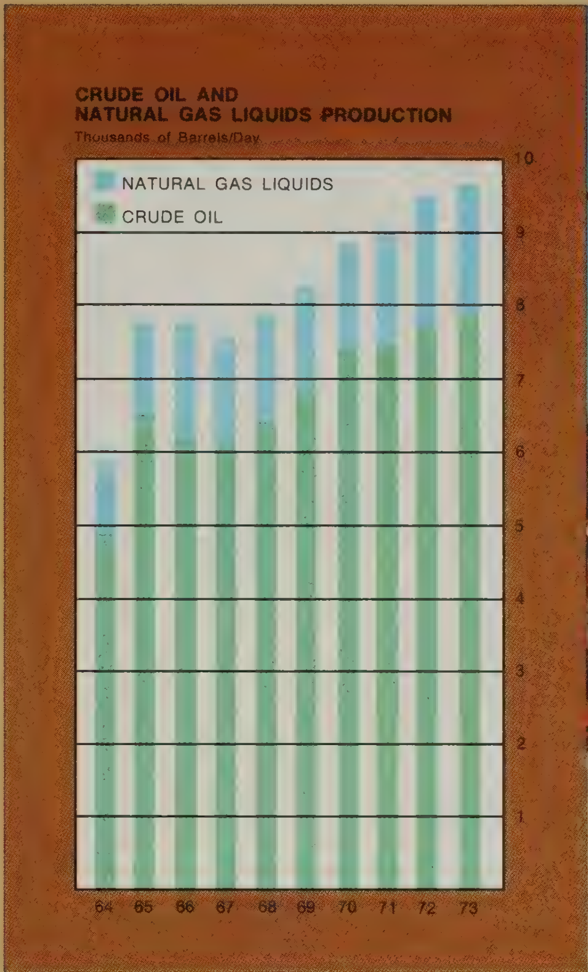
1973 Net Production

	Crude Oil (Barrels)	Natural Gas Liquids (Barrels)	Natural Gas (Millions of Cubic Feet)	REVENUE Amount	REVENUE Percent of Total
Alberta					
Bigoray	242,000	—	397	$ 1,010,000	6
Calgary-Crossfield	—	62,000	1,922	693,000	4
Drumheller	157,000	—	279	553,000	3
Hamilton Lake	164,000	—	—	547,000	3
Harmattan	217,000	423,000	3,516*	3,301,000	20
Minnehik-Buck Lake	—	105,000	7,000	2,582,000	16
Mitsue	77,000	4,000	32	297,000	2
Pembina	1,076,000	26,000	409	3,944,000	24
Turner Valley	76,000	4,000	157	289,000	2
Other Areas	350,000	39,000	1,997	1,623,000	10
Saskatchewan					
Butte	139,000	—	—	395,000	2
Steelman	93,000	—	—	331,000	2
Weyburn	79,000	—	—	248,000	2
Other Areas	103,000	—	—	333,000	2
Royalty Interests	112,000	—	—	355,000	2
British Columbia					
Kobes	—	—	198	26,000	—
	2,885,000	663,000	15,907	$16,527,000	100

Production Revenue By Province



*Some gas is being reinjected after the extraction of liquids.



Dew point control facilities at the Bigoray compressor station.

Pembina plant worker adjusts flow of gas controller.

Revenue from the sale of liquid petroleum gases was up substantially over last year.

Contracts have been signed for gas sales from the previously uncommitted gas properties in the Flatbush, Fox Creek, Gull Lake, and Judy Creek areas. When regulatory approvals are obtained, sales from these areas should increase the Company's net gas production by more than 10 percent.

On January 31, 1974 the Alberta Government announced materially higher gas royalty rates. Although full details of the new royalty scheme are not available, it is estimated that royalty on all of Great Plains' gas sales will rise from 16⅔ percent to an average of approximately 33 percent when higher gas prices become effective later in 1974.

Sulphur

Sulphur production amounted to 15,300 long tons, while sales totalled 11,500 long tons. Revenue from sulphur increased to $82,000 primarily as a result of increased sales. A noticeable firming of prices was apparent towards the end of 1973 which should improve revenue from this product in 1974.

DEVELOPMENT

Drilling

During 1973, the Company's development drilling resulted in oil wells in the Pembina, Keystone, Willesden Green, Three Hills and Hamilton Lake areas. Gas wells were drilled at Bistcho, Ricinus, Minnehik and Plain Lake. During the year, $1,072,000 was expended on development drilling.

Other Development

The Harmattan East gas plant went on stream in May, 1973. The plant is capable of processing 150 million cubic feet of gas per day but is currently limited by conservation regulations to 60 million cubic feet per day. Great Plains holds a 16.4 percent interest in this plant and its share of construction costs was $1,000,000, of which $250,000 was spent during 1973.

The Company spent more than $300,000 in the Pembina-Keystone area for waterflood schemes in several pools. These expenditures should result in increased productivity of crude oil from this area. Some response is already evident.

Property Acquisitions

During the year, the Company purchased additional interests in producing properties for $5,098,000. At Hamilton Lake Great Plains increased its interest from 25 percent to 50 percent adding about 250 barrels per day of crude oil production. Interests acquired late in 1973 in the Balzac, Judy Creek and Shouldice areas are expected to add net daily production of 110 barrels of oil and gas liquids and 1.8 million cubic feet of natural gas.

Heavy Oil Properties

The Company holds interests in 47,000 gross acres of heavy oil properties in the Cold Lake area. Arrangements have been made to obtain the records of an extensive experimental program being conducted by a major oil company on leases adjoining Great Plains' properties. This data will be evaluated to enlarge the Company's knowledge of the techniques of thermal in situ heavy oil production. Great Plains has also negotiated an agreement with another leaseholder to develop lands jointly in the Cold Lake area. The leases covered by the agreement contain approximately one-half billion barrels of heavy oil in place. If higher crude prices are allowed to reach the producer the production of heavy oil at Cold Lake will in time become commercially feasible.

Reserves

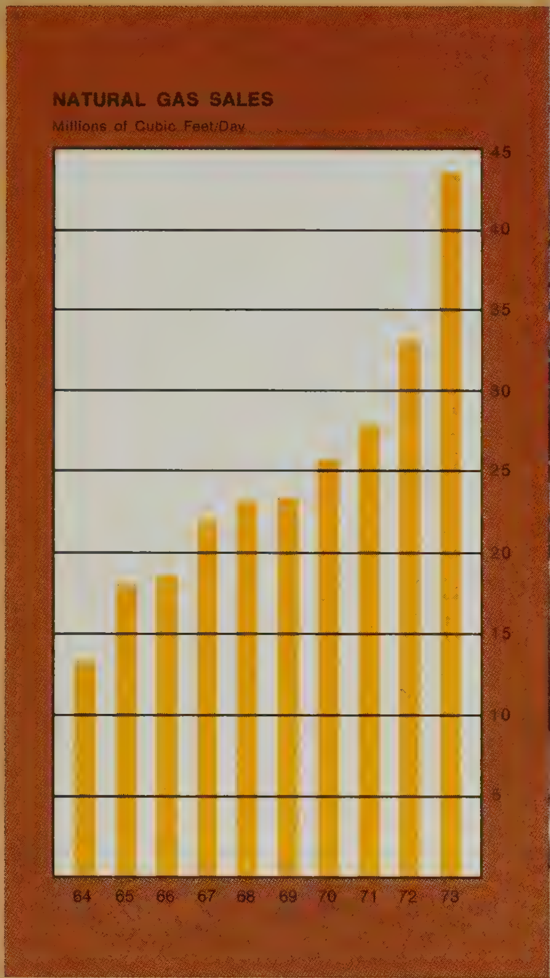
Total net recoverable reserves of crude oil, natural gas liquids, natural gas and sulphur are shown in the accompanying table. Heavy oil in the Company's Cold Lake and Athabasca Tar Sands properties are not included in the reserve estimates as they are not yet commercially productive.

Net Company crude oil reserves were decreased in 1973 by 1,900,000 barrels to allow for higher royalties which became effective during the year. Future additional increases in royalties, ex-

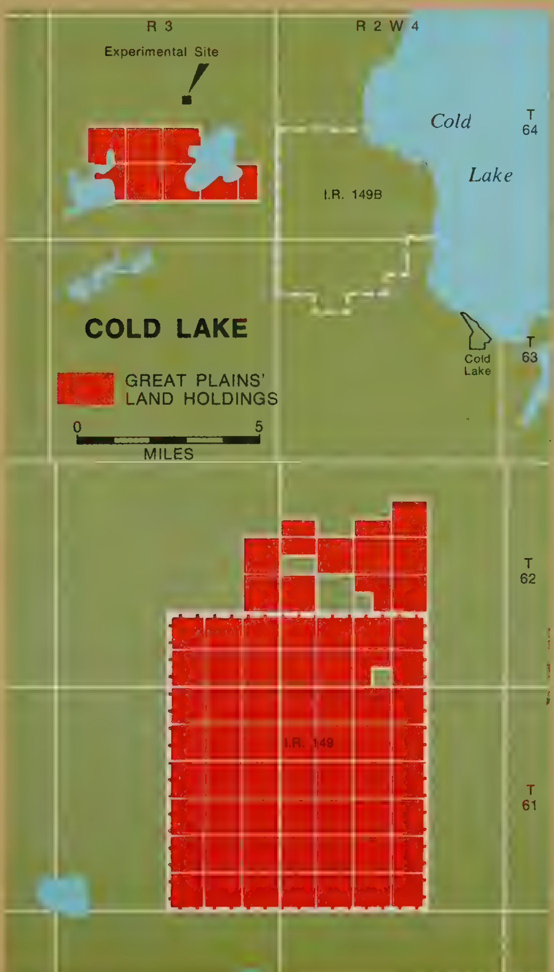
Net Reserves — After Royalties, excluding Cold Lake and Athabasca
December 31, 1973

	Crude Oil (Barrels)	Condensate (Barrels)	Other Natural Gas Liquids (Barrels)	Natural Gas (Millions of Cubic Feet)	Sulphur (Long Tons)
Proved	33,942,000	6,889,000	4,396,000	411,000	300,000
Probable	9,677,000	396,000	228,000	27,000	7,000
	43,619,000	7,285,000	4,624,000	438,000	307,000

All of the above reserves are developed by present wells, except 1.6 million barrels of proved crude oil and 972,000 barrels of probable crude oil.



Portion of the gas processing facilities at Harmattan plant.



Sulphur sales increased and prices firmed in 1973.

pected to be announced by the Alberta Government in 1974, have not yet been taken into account. New reserves from property acquisitions at Hamilton Lake and Shouldice, along with improved recovery processes at Bigoray and Keystone, essentially offset 1973 crude oil production and the royalty adjustment.

Natural gas and natural gas liquids reserves are based on 1973 royalty rates. Reserve increase from the acquisition of properties, development drilling and field extensions, more than replaced natural gas production.

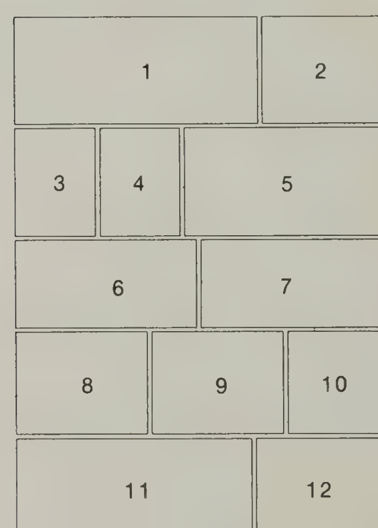
Life of the Company's proved and probable reserves at current rates of production is 15 years for crude oil, 18 years for condensate and other natural gas liquids and 28 years for natural gas.

EMPLOYEES

During the year, the staffs of Great Plains and Northern Oil Explorers were merged and reorganized for operating efficiency.

Of the 134 Great Plains' employees, 34 are engaged in exploration, 48 in production and development, including 26 employees in field operations, and 52 in accounting, computer, administrative and other functions. An additional 49 people were employed on a seasonal basis primarily in field mineral exploration. Eighty-nine employees held Company shares through participation in the Employees Savings Plan.

The Company is well represented in community associations, societies and civic projects. Company personnel assist in youth groups such as Junior Achievement, Scouts, Boys Clubs and community sports organizations. Many are active in industry associations or serve on related committees. Some employees give their time and efforts in working on boards and committees of educational institutions. Each year many Company employees serve as volunteers for the United Fund and other charitable organizations. Others contribute their time and talents to a wide range of professional societies and service clubs in the city. Their efforts, both for the community and the industry are significant.



1. Calgary Concert Band
2. Junior Achievement
3. Red Cross Blood Donor Clinic
4. Basketball
5. Hockey
6. Southern Alberta Institute of Technology
7. University of Calgary
8. United Fund
9. Renfrew Boys Club
10. Soccer
11. Heritage Park
12. Cubs









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United Way



FINANCIAL REVIEW

Revenue

Great Plains' revenue for 1973 totalled $18,735,000, a $6,273,000 increase over the $12,462,000 recorded in 1972. Of this gain, $4,415,000 was from acquisitions of proven properties, increased product prices and higher gas production. This gain was partially offset by increased royalties on Alberta and Saskatchewan crude production. Interest income primarily from investment of the proceeds of the $30 million debenture issue on February 1, 1973, accounts for the balance of the improvement.

Cash Generated and Expense

The revenue improvement was partially offset by an increase of $2,639,000 in total expenses, excluding non-cash items. Cash generated from operations amounted to $11,656,000 or $3.59 per share as compared to 1972 restated amounts of $8,022,000 or $2.47 per share. Higher production and general and administrative expenses, interest on long-term debt, and income taxes payable for 1973 are responsible for the expense increase.

Net Earnings and Dividends

Net earnings in 1973, after provision for income taxes, amounted to $6,465,000 or $1.99 per share. This is an increase of $2,438,000 or 75 cents per share over the restated net earnings of 1972.

A dividend of 50 cents per share, an increase of 10 cents, was declared payable January 7, 1974 to shareholders of record on December 7, 1973.

Capital Expenditures

Capital expenditures in 1973 totalled $12,910,000, a significant increase over the $6,132,000 expended in 1972. Exploration expenditures amounted to $5,801,000 compared to $4,082,000 in 1972. Essentially all of the increase was expended on foreign operations. Development expenditures totalling $7,109,000 were materially higher than 1972 mainly due to the acquisition of proven properties in several areas in Alberta for $5,098,000.

Financing

Effective February 1, 1973 the Company issued $30 million principal amount of 5 percent Convertible Subordinated Debentures due February 1, 1993. The debentures are convertible into 681,817 shares of the Company at a conversion rate of $44 per share. The issue can be called in whole or in part at any time after February 1, 1978, or earlier if the weighted average trading price of the shares is at least 133⅓ percent, reducing to 120 percent on February 1, 1975, of the conversion price for a specified period.

Accounting Policy Change

Prior to 1973 the Company capitalized all mineral exploration costs and amortized such costs together with all other capitalized costs on a unit of production method. Due to lack of acceptance of this method by others in the industry, Great Plains has retroactively adopted the more generally accepted practice of charging such costs against earnings as they are incurred. This change in accounting policy has reduced net earnings for 1973 and 1972 by $283,000 and $474,000, respectively.

CONSOLIDATED STATEMENT OF EARNINGS

	Year ended December 31, 1973	1972 Restated
Revenue		
Production	**$16,527,000**	$12,112,000
Interest	**2,075,000**	341,000
Other	**133,000**	9,000
	18,735,000	12,462,000
Expense		
Operating	**4,061,000**	3,338,000
General and administrative	**830,000**	391,000
Mineral exploration (Note 1)	**564,000**	707,000
Depletion	**3,337,000**	2,624,000
Depreciation	**931,000**	661,000
Interest and expense on long-term debt	**1,406,000**	4,000
	11,129,000	7,725,000
Net earnings before provision for income taxes	**7,606,000**	4,737,000
Provision for income taxes (Note 3)		
Current	**250,000**	—
Deferred	**891,000**	710,000
	1,141,000	710,000
Net earnings	**$ 6,465,000**	$ 4,027,000
Net earnings per share (Note 2)	**$ 1.99**	$ 1.24

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	Year ended December 31, 1973	1972 Restated
Balance - as previously reported	**$27,767,000**	$27,342,000
- adjustment to give retroactive effect to change in accounting policy (Note 1)	—	2,305,000
- as restated	**27,767,000**	25,037,000
Net earnings	**6,465,000**	4,027,000
	34,232,000	29,064,000
Dividend declared	**1,622,000**	1,297,000
Balance at end of year	**$32,610,000**	$27,767,000

CONSOLIDATED BALANCE SHEET

ASSETS

	December 31, 1973	December 31, 1972 Restated
Current Assets		
Cash	$ 253,000	$ 199,000
Short-term investments, at cost, which approximates market	28,953,000	3,020,000
Accounts receivable	3,866,000	3,286,000
Inventories — at lower of cost or realizable value	254,000	164,000
	33,326,000	6,669,000
Property, Plant and Equipment (Note 1)		
Petroleum and natural gas properties, including exploration and development thereof	87,530,000	77,001,000
Plant, production and other equipment	20,386,000	18,241,000
	107,916,000	95,242,000
Less: Accumulated depletion and depreciation (Note 5)	35,132,000	31,007,000
	72,784,000	64,235,000
Other		
Deposits and prepaid expenses	250,000	437,000
Debenture issue costs, less amortization	615,000	—
	865,000	437,000
	$106,975,000	$71,341,000

LIABILITIES

	December 31, 1973	December 31, 1972 Restated
Current Liabilities		
Accounts payable and accrued charges	**$ 3,452,000**	$ 3,695,000
Dividend payable	**1,622,000**	1,297,000
Income taxes payable	**250,000**	—
	5,324,000	4,992,000
Long-term debt (Note 4)	**32,852,000**	3,328,000
Deferred income taxes (Note 3)	**7,714,000**	6,823,000

SHAREHOLDERS' EQUITY

Capital stock (Note 2)		
Authorized		
6,000,000 shares of $1 par value		
Issued		
3,244,864 shares (1972 - 3,241,864)	**3,245,000**	3,242,000
Contributed surplus (Note 2)	**25,230,000**	25,189,000
Retained earnings	**32,610,000**	27,767,000
	61,085,000	56,198,000

On behalf of the Board:

D. E. Mitchell Director

R. F. Buchanan Director

	$106,975,000	$71,341,000

CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS

	Year ended December 31, 1973	1972 Restated
Funds Were Obtained From:		
Revenue	**$18,735,000**	$12,462,000
Less: Operating, general and administrative, mineral exploration, interest expense and current income taxes	**7,079,000**	4,440,000
Cash generated from operations	**11,656,000**	8,022,000
Net proceeds from financing	**29,353,000**	—
Issuance of capital stock	**43,000**	604,000
Sale of property interests	**93,000**	1,467,000
Miscellaneous	**188,000**	(177,000)
	41,333,000	9,916,000
Funds Were Used For:		
Exploration	**5,801,000**	4,082,000
Development	**7,109,000**	2,050,000
Reduction of loans from gas purchaser	**476,000**	32,000
Dividend declared	**1,622,000**	1,297,000
	15,008,000	7,461,000
Increase (decrease) in working capital	**$26,325,000**	$ 2,455,000

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Great Plains Development Company of Canada, Ltd. and subsidiaries as at December 31, 1973 and the consolidated statements of earnings, retained earnings and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the Companies as at December 31, 1973 and the results of their operations and the source and use of their funds for the year then ended, in accordance with generally accepted accounting principles applied after giving retroactive effect to the change in accounting policy as explained in Note 1 to the consolidated financial statements on a basis consistent with that of the preceding year.

Calgary, Alberta
January 25, 1974

(Signed) RIDDELL, STEAD & CO.
Chartered Accountants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Policies

The consolidated financial statements include the accounts of Great Plains Development Company of Canada, Ltd. and its subsidiary Companies, all of which are wholly-owned. The excess of the consideration paid for the shares of purchased subsidiaries over their net book values at the dates of acquisition is included in property, plant and equipment in the consolidated balance sheet, and additional depletion provided accordingly.

The Companies follow the full-cost method of accounting wherein all costs relative to the exploration for and the development of oil, gas and related reserves are capitalized. Such costs include acquisition costs, geological and geophysical expense, carrying charges of non-producing properties, costs of drilling both productive and unproductive wells, production equipment and gas facilities and all technical and administrative overhead directly associated with these functions. Proceeds received from disposal of properties are credited against such costs. These net costs are amortized on the composite unit of production method based on total estimated proved developed reserves.

Effective January 1, 1973 the Company amended the employees pension plan and past service benefit costs amounting to $445,000, were paid in full during the year. This amount has been charged to earnings and capital in accordance with the Company's accounting policy.

Prior to 1973, the Companies followed the policy of capitalizing all mineral exploration costs and amortizing such costs together with all other exploration and development costs on the composite unit of production method. In 1973 the Companies have adopted, with retroactive effect, the policy of charging all mineral exploration expenditures to earnings as incurred. This change had the effect of reducing net earnings by $283,000 (9c per share) for 1973 and by $474,000 (15c per share) for 1972. Comparative figures for 1972 have been restated to reflect this change in accounting policy.

2. Capital Stock

As at December 31, 1973, 681,817 shares of capital stock were reserved for issuance upon exercise of the conversion rights under the Company's 5% Convertible Subordinated Debentures.

An additional 37,000 shares of capital stock were reserved for issuance under an Incentive Share Option Plan, pursuant to which options have been granted to employees, including officers, to purchase 30,000 shares at prices ranging from $23.85 to $29.70 per share. These options are exercisable cumulatively in four installments commencing one year after date of option and will expire on or before March 5, 1978. During 1973, 3,000 shares were issued for a consideration of $43,200, of which $3,000 has been credited to capital stock, and the balance of $40,200 to contributed surplus.

The issuance of the above-reserved shares of capital stock would not have materially reduced the Company's net earnings per share.

3. Income Taxes

Under Canadian income tax law, all exploration and development expenditures, including costs of oil and gas rights, may be deducted from income and any excess may be carried forward to subsequent years. In addition, capital cost allowances which are in excess of the depreciation recorded in the accounts may be claimed.

In determining reported net earnings, the Companies provide for deferred income taxes. Although the utilization of maximum available tax credits has substantially reduced the liability for current income taxes payable, it will result in the payment of higher taxes in the future when recorded charges exceed those available for tax purposes. Directly influencing the timing and extent of this future liability, however, are additional deductions available from further exploration and development investment which may continue to materially reduce the annual amount of taxes payable or may result in deferment of any tax liability in a particular year. For these reasons deferred taxes have been provided for at rates less than those in effect under present taxation legislation, but which, it is estimated, should adequately provide for all income taxes payable by the Companies for the foreseeable future. Such amounts are credited to "Deferred Income Taxes" and will be taken into earnings of future years as and when income taxes payable are in excess of then current provisions.

The above method of providing for deferred income taxes differs from the tax allocation basis recommended by the Canadian Institute of Chartered Accountants, which method has not been generally followed by the Canadian oil and gas industry. If the Companies had provided for deferred taxes on the basis of full tax rates for all timing differences between taxable income and reported earnings, such provisions would have been increased by approximately $1,380,000 ($910,000 in 1972 restated) and cumulative deferred income taxes would have been approximately $11,750,000 greater.

The Canadian Securities Commissions have requested the oil and gas industry to undertake a study to determine if tax allocation as recommended by the Canadian Institute of Chartered Accountants is appropriate to the industry, and if not, to establish an alternative which has authoritative support. If industry is unable to establish an alternative the Company may be required to adopt the income tax allocation method in 1974.

4. Long-Term Debt

	1973	1972
5% Convertible Subordinate Debentures, due February 1, 1993.......	$30,000,000	$ —
Interest-free loan from gas purchaser.........	2,852,000	3,328,000
	$32,852,000	$3,328,000

The Debentures are redeemable through the operation of a sinking fund commencing February 1, 1983. The Company has the right to call the issue in whole or in part at any time after February 1, 1978 and may do so earlier if the weighted average price at which the shares trade for a specified period is at least 133⅓ percent (reducing to 120 percent on February 1, 1975) of the conversion price. The Debentures are convertible into capital stock of the Company at a conversion rate equivalent to $44 per share.

5. Statutory Information

(a) During 1973 the Company and its subsidiaries paid remuneration of $32,400 to the Company's ten Directors in their capacity as Directors and remuneration of $220,250 to the Company's six Officers in their capacity as Officers. Two of the Officers are also Directors of the Company.

(b) Accumulated depletion and depreciation as at December 31, is as follows:

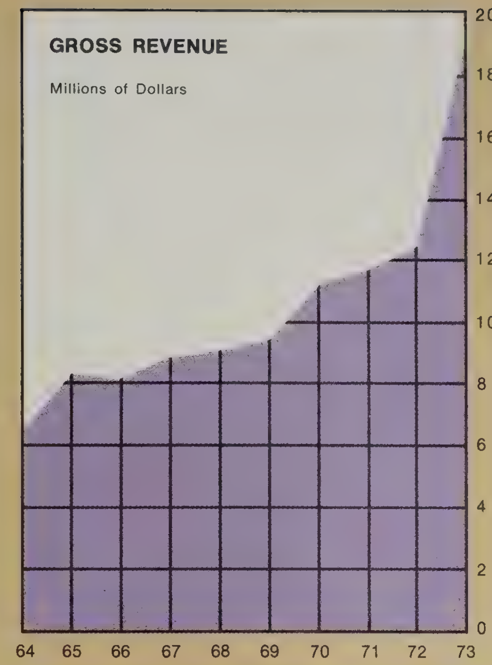
	1973	1972 Restated
Depletion of petroleum and natural gas properties	$29,818,000	$26,481,000
Depreciation of plant, production and other equipment.............	5,314,000	4,526,000
	$35,132,000	$31,007,000

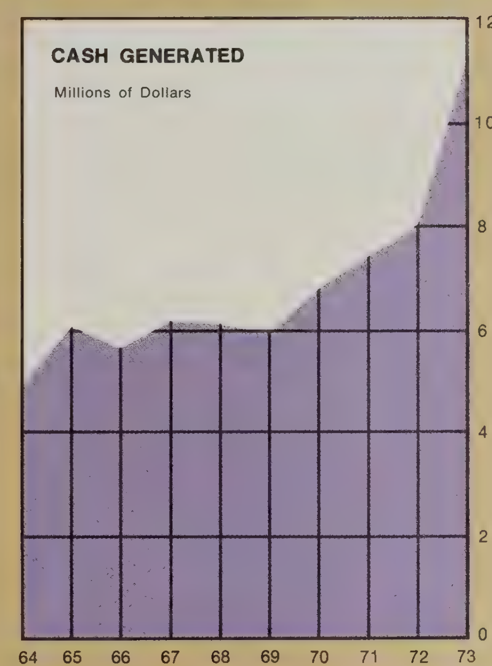
TEN-YEAR FINANCIAL SUMMARY (1)

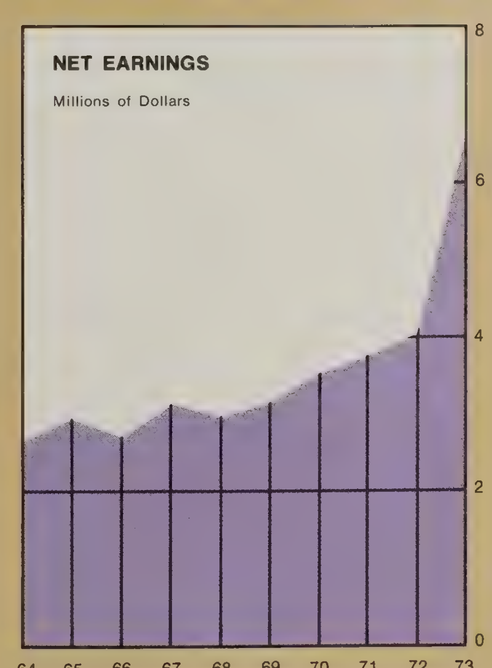
		1973	1972	1971	1970
Gross Revenue — thousands					
Crude oil	$	**9,580**	7,660	7,460	6,769
Natural gas liquids	$	**2,227**	1,713	1,456	1,260
Natural gas	$	**4,638**	2,678	2,040	1,737
Sulphur	$	**82**	61	90	121
Interest and other	$	**2,208**	350	613	835
Gross revenue	$	**18,735**	12,462	11,659	10,722
Cash Generated and Earnings					
Cash generated from operations — thousands	$	**11,656**	8,022	7,464	6,833
Per share	$	**3.59**	2.47	2.33	2.14
Net earnings before provision for income taxes — thousands	$	**7,606**	4,737	4,458	4,195
Per share	$	**2.34**	1.46	1.39	1.31
Net earnings after provision for income taxes — thousands	$	**6,465**	4,027	3,789	3,566
Per share	$	**1.99**	1.24	1.18	1.12
Dividends and Stock					
Dividends paid — thousands	$	**1,622**	1,297	1,281	1,279
Per share	$	**0.50**	0.40	0.40	0.40
Shares outstanding at year-end		**3,244,864**	3,241,864	3,201,664	3,197,914
Number of shareholders		**1,623**	1,711	1,840	2,018
Market price range per share	$	**38-25**	36-29	37-29	33-16
Assets, Liabilities and Shareholders' Equity — thousands					
Working capital	$	**28,002**	1,677	(778)	4,260
Net property, plant and equipment	$	**72,784**	64,235	62,855	54,622
Other	$	**865**	437	260	231
Total net assets	$	**101,651**	66,349	62,337	59,113
Long-term debt	$	**30,000**	—	—	—
Interest-free loans from gas purchaser	$	**2,852**	3,328	3,360	3,360
Deferred income taxes	$	**7,714**	6,823	6,112	5,443
Shareholders' Equity	$	**61,085**	56,198	52,865	50,310
Shareholders' equity per share	$	**18.83**	17.34	16.51	15.73
Capital Expenditures — thousands					
Oil and gas exploration	$	**5,801**	4,082	3,752	4,504
Development	$	**7,109**	2,050	7,607	3,783
Company acquisitions for cash	$	**—**	—	—	—
Total capital expenditures	$	**12,910**	6,132	11,359	8,287

(1) Adjusted retroactively, where applicable, to reflect change in accounting policy.

1969	1968	1967	1966	1965	1964
6,079	5,602	5,404	5,478	5,694	4,367
1,269	1,490	1,515	1,337	1,294	977
1,540	1,550	1,488	1,213	1,161	869
298	429	413	123	114	6
247	31	32	14	48	308
9,433	9,102	8,852	8,165	8,311	6,527
6,000	6,139	6,192	5,666	6,059	4,918
1.88	1.92	1.94	1.80	1.92	1.63
3,730	3,525	3,672	3,192	3,487	3,141
1.17	1.10	1.15	1.01	1.11	1.04
3,170	2,996	3,121	2,713	2,964	2,670
0.99	0.94	0.98	0.86	0.94	0.88
1,278	1,278	1,278	1,103	1,103	907
0.40	0.40	0.40	0.35	0.35	0.30
,195,614	3,194,739	3,194,364	3,151,864	3,151,864	3,023,064
1,972	2,071	2,231	2,350	2,195	1,918
40-21	29-15	23-11	14-10	14-10	14-10
6,974	903	667	608	(321)	1,999
49,003	53,447	50,948	49,173	46,798	37,106
249	341	244	231	217	367
56,226	54,691	51,859	50,012	46,694	39,472
2,909	4,349	3,768	4,778	3,549	—
512	—	—	—	—	—
4,814	4,256	3,727	3,176	2,697	2,174
47,991	46,086	44,364	42,058	40,448	37,298
15.02	14.43	13.89	13.34	12.83	12.34
4,388	3,049	3,249	3,167	1,463	1,327
2,671	2,351	2,267	2,258	2,018	939
—	—	—	—	8,597	4,568
7,059	5,400	5,516	5,425	12,078	6,834







TEN-YEAR OPERATING SUMMARY

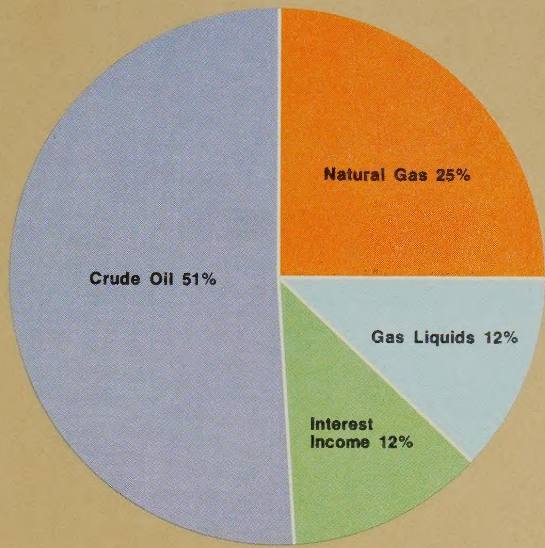
	1973	1972	1971	1970
Production				
Crude oil — thousands of barrels	**2,885**	2,799	2,726	2,713
Natural gas liquids — thousands of barrels	**663**	682	576	540
Total — thousands of barrels	**3,548**	3,481	3,302	3,253
Daily average — thousands of barrels	**9.7**	9.5	9.0	8.9
Value of net production — thousands	**$11,807**	9,373	8,916	8,029
Average price per barrel	**$ 3.33**	2.69	2.69	2.47
Natural gas — millions of cubic feet	**15,907**	12,193	10,211	9,379
Daily average — millions of cubic feet	**43.6**	33.3	28.0	25.7
Value of net production — thousands	**$ 4,638**	2,678	2,040	1,737
Average price per thousand cubic feet	**29.2c**	22.0	18.8	18.5
Sulphur — Production — long tons	**15,300**	15,000	15,400	17,000
— Sales — long tons	**11,500**	9,900	10,500	11,900
Value of sales — thousands	**$ 82**	61	90	121
Average price per long ton	**$ 7.13**	6.16	8.57	10.18
Reserves — Proved and Probable (1)				
Crude oil — thousands of barrels	**43,619**	44,190	46,034	44,000
Natural gas liquids — thousands of barrels	**11,909**	10,814	12,139	11,424
Natural gas — millions of cubic feet	**438,000**	416,000	416,000	367,000
Sulphur — thousands of long tons	**307**	278	375	380
Properties — thousands of acres				
Oil and gas — gross	**23,592**	20,235	19,681	16,374
— net	**7,483**	7,773	8,268	5,867
Other minerals — gross	**107**	96	120	945
— net	**75**	84	104	553
Net Wells				
Oil	**311**	305	313	309
Gas	**57**	58	59	48
Number of Employees	**134**	129	135	135

(1) Proved reserves only for years 1964 and 1965.

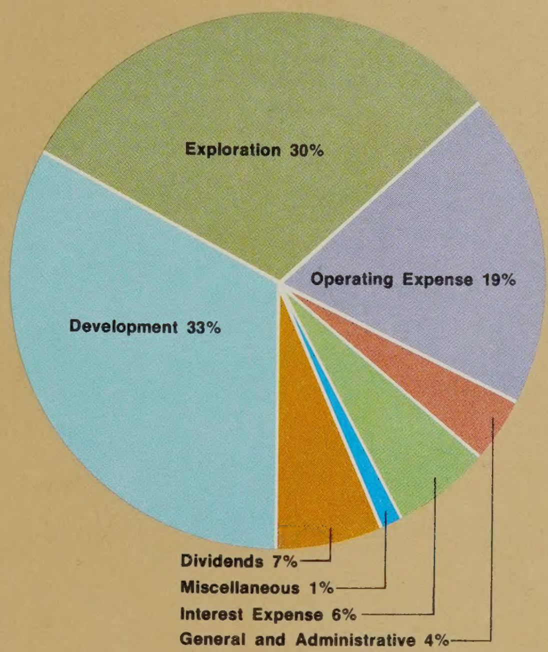
1969	1968	1967	1966	1965	1964
2,465	2,296	2,226	2,247	2,338	1,788
564	594	557	587	511	388
3,029	2,890	2,783	2,834	2,849	2,176
8.3	7.9	7.6	7.8	7.8	5.9
7,348	7,092	6,919	6,815	6,988	5,344
2.43	2.45	2.45	2.41	2.45	2.46
8,581	8,539	8,063	6,818	6,656	4,902
23.5	23.4	22.1	18.7	18.2	13.4
1,540	1,550	1,488	1,213	1,161	869
18.0	18.2	18.5	17.8	17.6	17.7
16,040	18,400	13,400	7,500	9,600	700
12,700	11,500	11,200	6,900	8,900	700
298	429	413	123	114	6
23.46	37.33	36.89	17.79	12.75	8.64
41,213	40,976	41,683	39,833	29,012	20,594
10,809	11,262	11,058	9,679	9,924	9,698
327,000	313,000	360,000	351,000	323,000	310,000
394	408	473	485	380	306
14,203	14,519	11,113	10,586	9,014	8,029
5,405	7,740	6,753	7,972	6,672	6,035
2,087	1,698	344	290	—	—
1,041	890	235	217	—	—
305	294	281	280	284	196
42	40	36	32	32	31
124	113	108	106	94	94

1973 FUNDS

Source (Excluding Proceeds from Financing)



Use



GREAT PLAINS DEVELOPMENT COMPANY OF CANADA, LTD.

Incorporated under the laws of Canada in March, 1950

Head Office

736 - 8th Avenue S.W., Calgary, Alberta T2P 1H4

Directors

Norman J. Alexander
Winnipeg, Manitoba
Managing Partner,
Richardson Securities of Canada.

William A. Arbuckle
Montreal, Quebec
Chairman, Canadian Board of
The Standard Life Assurance Company.

T. Howard Atkinson
Montreal, Quebec
Retired — Formerly Vice-President and General Manager,
The Royal Bank of Canada.

Robert F. Buchanan
Calgary, Alberta
Senior Vice-President of the Company.

J. Desmond Dewhurst
London, England
Assistant Managing Director,
The Burmah Oil Company Limited.

James A. Lumsden
Glasgow, Scotland
Director and Chairman of the Board,
The Burmah Oil Company Limited.

John K. McCausland
Toronto, Ontario
Consultant — Formerly Vice-President and Director,
Wood Gundy Limited.

David E. Mitchell
Calgary, Alberta
President of the Company.

Frederick L. Moore
New York, N. Y.
Vice-President,
Kidder, Peabody & Co. Inc.

Nicholas J. D. Williams
London, England
Managing Director,
The Burmah Oil Company Limited.

Officers

David E. Mitchell
President

Robert F. Buchanan
Senior Vice-President

Robert H. Erickson
Vice-President

Leo L. Samoil
Vice-President, Exploration

Edward A. Earle
Vice-President, Production

Dennis H. Scott
Secretary

Principal Subsidiary Companies

Great Plains (American) Inc.
Great Plains (Guatemala) Ltd.
Great Plains Oil & Gas Ltd.
Great Plains (Panama) Ltd.
Great Plains Petroleums Limited
Great Plains Resources Ltd.
Canada Oil Lands Co. Ltd.

Registrars and Transfer Agents

Montreal Trust Company
Montreal, Toronto, Winnipeg,
Regina, Calgary, Vancouver

The Bank of New York
New York, N. Y.

Auditors

Riddell, Stead & Co.
Chartered Accountants,
Calgary, Alberta

Stock Listed

Toronto Stock Exchange
Toronto, Ontario

Montreal Stock Exchange
Montreal, Quebec

GREAT PLAINS
DEVELOPMENT COMPANY
OF CANADA, LTD.

Annual Report 1973

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